



## Media Release

# Hong Leong Asia Posts Attributable Net Profit of S\$30.8 million for 1H 2023

**Singapore, Aug 11, 2023 – Hong Leong Asia (“HLA” or the “Group”)**, a diversified Asian multinational with core businesses in building materials and powertrain solutions, today announced its financial results for half year ended 30 June 2023 (“1H 2023”).

- Group revenue declined 1.0% YoY to S\$2.1 billion in 1H 2023. The decline in Group revenue was mainly due to translation effects of a weaker RMB against SGD but partially mitigated by revenue growth from the building materials unit (“BMU”) in Malaysia (“Tasek”).
- Attributable net profit to shareholders declined 27.7% YoY to S\$30.8 million for 1H 2023, impacted by the absence of one-off gain from disposal of assets held-for-sale.
- The powertrain solutions unit (“Yuchai”) in China has recorded an improved 1H results as market recovers gradually from the pandemic restrictions.
- Order books at BMU’s Precast and Ready-Mix Concrete segments in Singapore and Malaysia remain strong.

### 1H 2023 FINANCIAL SUMMARY

	Half Year ended 30 June 2023	Half Year ended 30 June 2022	+/-
	S\$'000	S\$'000	%
Revenue	2,075,085	2,096,577	(1.0%)
Profit before Income Tax from Continuing Operations	91,491	80,944	13.0%
Profit from Continuing Operations, Net of Tax	64,254	64,151	0.2%
Total Attributable Net Profit	30,794	42,579	(27.7%)
Earnings Per Share (cents)	4.12	5.69	(27.6%)



The Group's profitability was impacted by weaker FX translation as well as higher finance costs. Adjusting for the S\$10.6 million one-off gain on disposal of assets held-for-sale in 1H 2022, 1H 2023's attributable net profit to shareholders would have declined 3.7% YoY.

Revenue of Yuchai declined by 2.4% YoY to S\$1.8 billion, with reportable segment profit after tax of S\$48.1 million, representing growth of 60.5% YoY. While total number of engines sold in 1H 2023 declined by 8.4% YoY to 165,793 units, higher operating margins on better sales mix towards bus, agricultural and industrial markets plus better performance from associates and joint ventures boosted net profit.

BMU revenue in 1H 2023 grew 8.6% to S\$306.3 million, with reportable segment profit after tax of S\$31.0 million, representing a growth of 8.3% YoY. While demand for building materials remained strong in Singapore, the built industry is tackling challenges in health and safety issues, shortage of dormitories and higher costs in labour and energy. At Tasek, with improved economic activities, it continues to recover with better volumes and pricing, but we remain watchful of tight credit conditions in the industry.

## **Market Outlook**

Yuchai's R&D programmes continue to improve on its engines and through its new energy solutions subsidiary, Yuchai Xin-Lan New Energy Power Technology Co., Ltd., invest in developing New Energy solutions such as e-CVT power-split hybrids, integrated electric drive axles, hydrogen fuel cell systems and hydrogen engines.

In Singapore, BMU's order books in the Precast and Ready-Mix Concrete ("RMC") segments continue to be strong. The Group expects construction tenders to increase in 2023 and 2024 given strong launches of Housing and Development Board (HDB) flats. The Group's investments to improve productivity through the new Integrated Construction and Prefabrication Hub (ICPH) in Punggol Barat, Singapore started commercial operations in 1H 2023. The Group's RMC Ecosystem Batching Plant operations at Jurong Port received Temporary Occupation Permit (TOP) in 1H 2023 and will soon begin commercial operations.

In Malaysia, Tasek expects demand to pick up as Malaysia's economy recovers and continues to work on improving on its operational efficiency. We remain watchful of tight credit conditions in the industry.



Overall, the Group is focused on strengthening its capabilities to execute new growth strategies, improving supply chain resilience and strengthening market position. It is also working closely with partners to develop solutions and increase innovation efforts with customers to address climate change issues. The Group is cautiously optimistic that its businesses will perform satisfactorily for the rest of 2023.

#### **About Hong Leong Asia:**

Hong Leong Asia Ltd. (“HLA”) has been listed on the Singapore Exchange since 1998 and is part of Hong Leong Group, a Singapore-based conglomerate. We are a diversified Asian multinational with core businesses in building materials and powertrain solutions. We work closely with customers to develop and deliver innovative and sustainable solutions for cities of the future.

For more information, please visit <https://www.hlasia.com.sg> or follow us on LinkedIn.

#### **About Hong Leong Group:**

Headquartered in Singapore, the Hong Leong Group is a globally-diversified company with gross assets of over S\$40 billion, including public companies listed in seven stock exchanges around the world. The Group employs over 40,000 people globally with core businesses comprising property development, hotels, financial services and trade & industry.

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